

September 10, 1980

CONGRESSIONAL RECORD—Extensions of

plane is climbing gently he pushes the stick forward, which causes the plane to enter a dive. With his heart in his mouth he quickly pulls the stick back, which causes the plane to climb sharply. Once again, he pushes the stick forward and causes a dive. The movements become more violent, the dives steeper and the climbs sharper, until the instructor can suffer no longer and orders him to release the controls. The plane then straightens out by itself and assumes a level flight.

With the Carter administration at the controls of the American economy it would appear we are on just such a novice flight. Until February of this year we were climbing briskly with feverish economic activity and rapidly rising prices. In March, we went into a steep dive with violent crashes in bonds and stocks, commodities and even precious metals. In April, we turned upward again and have been climbing ever since toward a new inflationary peak. In September or October, at the latest, we must brace ourselves for a fall that may take us to new lows in economic activity.

The erratic behavior of the American economy verifies the old maxim about the private property economy—free and unhampered, it is calm and stable, but when managed by central planners and politicians, spasmodic and erratic. Planners like to spend and stimulate in order to generate an economic boom, for which they are eager to take full credit. Massive deficit spending financed by easy money and credit generates a boom euphoria. Plans are made and costly projects are undertaken because of easy money and low interest costs. But the stimulation does not come from genuine savings and investments; it is induced artificially, benefitting some people at the expense of others. It causes illusions and hallucinations, called economic maladjustments. In turn, these cause painful withdrawal symptoms when the stimulant is withdrawn or when it loses its effectiveness. In economic life, the withdrawal pains come in the form of recession pains signaling a readjustment and return to normalcy.

A recession is painful but inevitable once inflation has caused a disorder. It led to the credit crunch in March, which prompted the leading economic indicators to suffer their biggest drops since the 1974-75 recession. Unemployment rose faster than at any time since World War II. But lo and behold, with the downturn barely a month old, the federal authorities pulled up again in utter panic about the coming depression. The Federal Reserve System supplied new credits, interest rates tumbled and the dollar turned weaker again in international money markets. After a brief respite, primarily as a result of the commodity market crash in March, the inflation is soaring again.

The erratic behavior of the American economy is further aggravated by the crushing load of new taxes imposed on the people by the Carter administration. Through further capital consumption and lower production, the taxes are destined to lift all prices. Total budget receipts are expected to rise from \$502 billion in 1980 to \$628 billion in 1981 by far the biggest tax boost ever in any one fiscal year. The increased revenues are flowing from the soaring inflation, which pushes everyone into higher income tax brackets, and from the windfall profit tax on oil production—the crowning folly of the Carter administration.

When taxes are rising and goods prices are soaring, purchasing power income is falling. In 1979, the average American suffered a loss of some 7 percent in his level of living. In 1980, he must expect to suffer a similar decline. Investors clinging to their monetary

savings lost even more to double-digit inflation.

Some knowledgeable investors seek to escape the ravages of taxation and inflation through personal adjustments. Shunning all forms of money, and claims to money, they seek refuge in real assets, such as real estate, gold and silver, art objects and antiques, diamonds, jewelry, etc. They seek to escape through tax "loop-holes" by converting income to tax deductions. No matter how successful they are, they, too, may get hurt in the end. The economic ride will become ever more violent and the taxes more confiscatory, making escape ever more difficult. Moreover, economic upheavals breed social unrest and political radicalism, which ultimately may block all routes of escape even to the most clever investor.

Most Americans are suffering in silence. They feel helpless and defenseless from the inflation and bewildered and dazed from the stall-and-dive flight of the economy. While it's easy to be sympathetic with the millions of innocent victims, the fact cannot be dismissed that the majority of the American electorate chose this economic pilot. Our duly elected representatives make the laws, raise the taxes, conduct inflation and generate the booms and busts. In a democratic society, like ours, there is no one to blame but the people themselves.

Economic policies conducted according to majority vote reflect the hopes and aspirations of the majority. They are the transcript of economic and social ideas in the hearts and minds of most people. Ideas control the world. Therefore, we must finally place the blame for inflation and taxation, booms and busts, on certain thought leaders, on professors and preachers, authors and editors, speakers and commentators, who are disparaging economic freedom and extolling control and regulation by political force. They blithely ignore discussion of inexorable economic principles and what has been said by economists in the last 200 years. They exhort businessmen and professionals to limit their profits and reduce their fees, to lower prices and raise wages, as if such behavior would resolve our problems. In the end, they always urge politicians to take command and use the police to enforce their orders.

Under the influence of these leaders our government has become a universal transfer agency that utilizes the political process for distributing vast measures of economic income and wealth. Through inflation and taxation government preys on millions of people in order to allocate valuable goods and services to its favorite voters and beneficiaries. With the latter, transfer programs are so popular few public officials and politicians dare oppose them.

A free society that is not utterly corrupted by the promises of transfer may yet avert the ultimate disaster—economic chaos and civil strife. It may break its fetters of welfare by political force and cure itself of the political evils now endangering economic prosperity and social peace. It may leave the road to political omnipotence and return to individual freedom.

Rx

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1980

• Mr. BROWN of Ohio. Mr. Speaker, my very good friend, Dr. Ray W. Gifford of the Cleveland Clinic in Cleveland, Ohio, has sent me a poem which

had in this Chamber. It was written by Dr. Russell Roth, former president of the American Medical Association, and I commend it to the attention of my colleagues.

Rx

Our congressmen need a strong blast
To remind them that in the years past
Their ancestors fled
From their homelands in dread
Of the same kind of laws they've just
passed.

THE CIA AGAINST THE CONSTITUTION

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 10, 1980

• Mr. EDWARDS of California. Mr. Speaker, last week the House Judiciary Committee reported favorably, over my opposition and that of a number of the committee's senior Democrats, including chairman PETER RODINO, H.R. 5815, the Intelligence Identities Protection Act. The Intelligence Committee reported the identical bill in July.

Since the Judiciary Committee's action, there has been an outpouring of opposition among the Nation's newspapers, editors' and publishers' associations, and other groups who will be affected by this legislation. The heart of their opposition—and mine—is 501(c) of the bill which makes it a crime for anyone to disclose any information which identifies a covert employee, informant or source, even if that information is based on unclassified sources. I believe this section presents a serious threat to our constitutional guarantees of free speech and free press. But, rather than speak for those most affected, I will let them speak for themselves in the following articles, editorials, and letters.

[From the Washington Post, Sept. 7, 1980]

CIA SECURITY PROBLEM IS FOCUS OF BAD U.S. BILL

(By Richard Cohen)

A colleague of mine once wrote a story about a planned meeting of the Ku Klux Klan. Being a good reporter, he drove past the meeting place himself, noted the address and then wrote a story, giving the location and the proposed time of the meeting. Someone then blasted the place with a shotgun.

That is not much different from what has happened on a couple of occasions to the CIA. A fellow named Louis Wolf, editor of the Covert Action Information Bulletin, has printed the names and addresses of CIA agents in Jamaica and almost before the ink was dry, the home of one agent was shot up there.

The parallel between what my colleague and what Wolf did has nothing to do with any comparison of the CIA to the Klan or even, God forbid, vice versa. It has to do, instead, with how neither one of them intended violence to be the result of what they were doing. Instead, both of them wanted,